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Message Text

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15
ACTION NEA-10

INFO OCT-01 AF-08 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 L-03 H-02 PA-01 PRS-01 SSM-03 NEAE-00

/096 W
---------- 083255
P R 020930Z SEP 76
FM AOEMBASSY KUWAIT
TO SECSTATE WASHDC PRIORITY 6130
INFO AMEMBASSY ABU DHABI
AMEMBASSY ALGIERS
AMEMBASSY AMMAN
AMEMBASSY CAIRO
AMEMBASSY DAMASCUS
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KHARTOUM
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY NOUAKCHOTT
AMEMBASSY RABAT
AMDMBASSY SANA 0558
AMEMBASSY TEL AVIV
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
USINT BAGHDAD

C O N F I D E N T I A L KUWAIT 4193

E.O. 11652: GDS
TAGS: ETRD
SUBJ: ANTI-BOYCOTT ANTI-DISCRIMINATION LEGISLATION

REF: STATE 216549
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1. KUWAITI PRESS HAS ONLY CARRIED STRAIGHT ARABIC TRANSLATION OF REUTER COVERAGE OF HOUSEINTERNATIONAL RELATIONS COMMITTEE (HIRC) AUGUST 31 ACTION ON BOYCOTT AND DISCRIMINATION AMENDMENT.

2. OF FOUR PROVISIONS OF HIRC PROPOSED LEGISLATION PROVIDED PARA 4 REFTEL, SUBPARA (I) AND (III) POSE THE LEAST DIFFICULITY. KUWAITIS STEADFASTLY MAINTAIN THAT THEIR SUPPORT OF ARAB BOYCOTT IS FOR POLITICAL OBJECTIVES AND DOES NOT INVOLVE DISCRIMINATION ON BASIS OF RACE, COLOUR, RELIGION, ETC. OUR OBSERVATION OF KUWAITI PRACTICE SUPPORTS THIS ASSERTION. VARIOUS AMERICAN FIRMS HAVING JEWISH IMAGE EITHER BECAUSE OF OWNERSHIP OR COMPOSITION OF TOP PERSONNEL (SUCH AS HYATT HOTEL, GOLDMAN SACHS, SOLOMON BROTHER) AS INVOLVED IN VARIOUS BUSINESS RELATIONSHIPS IN KUWAIT. KUWAITI VISA PROCEDURES DO NOT INVOLVE QUESTIONS ABOUT APPLICANT'S RELIGION, AND SO FAR AS WE KNOW, AMERICAN BUSINESSMEN AND OTHER VISITORS HAVE NOT BEEN DISCRIMINATED AGAINST BECAUSE OF RELIGION IN APPLYING TO ENTER THE COUNTRY.

3. SUBPARA (II), REGARDING SECONDARY BOYCOTTS, MAY NOT PROVE SIGNIFICANT HERE AS KUWAITIS HAVE NOT ACTIVELY PURSUED SECONDARY BOYCOTT. TO DATE, THEY HAVE LARGELY CONFINED THEMSELVES TO ENFORCEMENT OF PRIMARY BOYCOTT.

4. SUBPARA (IV) COULD CAUSE MAJOR PROBLEMS, AND COULD VIRTUALLY ELIMINATE KUWAIT'S GROWING IMPORTS FROM THE U.S. GIVEN LARGE (250,000) PALESTINIAN POPULATION HERE, GOK CANNOT AFFORD TO BE SEEN AS ABANDONING SUPPORT OF THE BOYCOTT. IF LANGUAGE OF THIS PARAGRAPH PROHIBITS STIPULATING THAT GOODS ARE NOT OF ISRAELI ORIGIN, THIS REQUIREMENT COULD LEAD TO DRASTIC REDUCTION OF U.S. EXPORTS TO KUWAIT, WHICH LAST YEAR AMOUNTED TO $366 MILLION.

5. FOCUSSING PUBLIC ATTENTION ON BOYCOTT REQUIREMENT THAT EXPORTER STIPULATE THAT GOODS ARE NOT OF ISRAELI ORIGIN IS ESPECIALLY ILL-TIMED FOR KUWAIT. WHILE KUWAITIS HAVE DESERVED REPUTATION AS STRICT ENFORCERS OF THE BOYCOTT, IN THE PAST YEAR THERE HAVE BEEN SOME FAVOURABLE DEVELOPEMENTS. KUWAITS HAVE SHOWN FLEXIBILITY IN IMPORTING BOYCOTTED GOODS ON OCCASION (MOST RECENT ONE BEING MINISTRY OF DEFENSE REQUEST TO MOTOROLA REPRESENTATIVE FOR PRESENTATION ON COMMUNICATIONS EQUIPMENT). IN MARCH OF THIS YEAR KUWAITI AMBASSADOR IN WASHINGTON, ON INSTRUCTIONS, INFORMED CONFIDENTIAL

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DEPARTMENT OF HIS GOVERMENT'S WILLINGNESS TO ACCEPT SHIPPING DOCUMENTS FOR GOODS DESTINED FOR FOOD FAIR WITH POSITIVE CERTIFICATES OF ORIGIN. THIS IS AT LEAST STEP IN DIRECTION OF MORE GENERAL PRACTICE OF ACCEPTANCE OF POSITIVE CERTIFICATION. CONGRESSIONAL FOCUS ON CERTIFICATE OF ORIGIN PROPOSED IN SUBPARA (IV) LIKELY TO NIP IN THE BUD ANY KUWAITI MOVES TOWARD FLEXIBILITY.

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6. BASIC KUWAITI ATTITUDE TOWARDS VARIOUS U.S. ANTI-BOYCOTT LEGISLATION IS ONE OF NON-COMPREHENSION, SINCE KUWAITIS SEE NO DIFFERENCE BETWEEN ARAB BOYCOTT AND NUMEROUS BOYCOTTS ENACTED BY USG IN PAST. WE HAVE NOT YET HAD CHANCE TO ELICIT REACTIONS FROM INDIVIDUAL KUWAITI OFFICIALS TO NEWS RE HIRC AMENDMENT. KUWAITI REACTION TO STEVENSON BILL WAS RELATIVELY RESTRAINED. RESPONSE TO HIRC DRAFT LEGISLATION LIKELY TO BE MUCH STRONGER. QUESTION OF WHETHER TO GIVE UP ONE BATTLE (STEVENSON BILL) IN ORDER TO NOT LOSE THE WAR (HIRC) IS OF COURSE A WASHINGTON DECISION. IF ACCEPTANCE OF STEVENSON BILL WOULD FORESTALL CERTAIN PASSAGE OF HIRC AMENDMENT, DAMAGE TO U.S.-KUWAIT TRADE FROM STEVENSON BILL WOULD BE LESS THAN THAT FROM HIRC LANGUAGE SINCE BURDEN OF FORMER WOULD BE PLACED ON U.S. BUSINESSMAN. UNLESS PASSAGE OF HIRC AAMENDMENT VIRTUAL CERTAINTY, WE WOULD FAVOUR CONTINUED ADMINISTRATION OPPOSITION TO BOTH BILLS AS BEING HELPFUL TO OUR RELATIONS WITH KUWAIT AND OTHER ARAB COUNTRIES, ALTHOUGH, IN FINAL ANALYSIS, PASSAGE OF EITHER BY CONGESSS WILL DRAW DOWN ARAB APPROBRIUM ON USG AS A WHOLE, INCLUDING EXECUTIVE BRANCH.
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